



Spring 2022

**SOUTH DAKOTA
DEPARTMENT OF REVENUE
NEWSLETTER**



Message From Secretary Houdyshell

Greetings from the South Dakota Department of Revenue!

First off, I want to say that I am very excited and humbled to have been chosen as the Cabinet Secretary of DOR. Team DOR is the best in state government! The department has a lot of positive momentum right now and I am confident I can help push things forward on our current projects, while also bringing a new and different perspective to the challenges on the horizon.

I was appointed as Cabinet Secretary of Revenue by Governor Noem after serving for more than eleven years at DOR.

Since being appointed, we have hit the ground running taking important measures to ensure we have all our bases covered to implement state law changes

and update information from the past 2022 legislative session. We are often one of the most active state agencies during the legislative session, providing advice and analysis to legislators.

In this newsletter, we highlight questions to ask when working with transient vendors, dates to remember, legislative changes, information on the sales and property tax refund available to seniors and disabled South Dakotans, exciting news from Lotto America, and much more.

As always, please contact our dedicated staff for any questions you may have. Please enjoy this edition of our newsletter.

2022 Legislative Updates

Amateur Coaching Services Exempt from Sales Tax

With the passage of [SB 165](#), beginning July 1, 2022, coaches for youth or amateur sports will not owe sales or use tax on their coaching services if the amount they are compensated is less than \$4,000 in a calendar year. Youth or amateur sports are considered those sports open to participants who are nineteen years old or younger, and do not receive compensation for their participation in the sport.

Electric all-terrain and off-road vehicles may be licensed and operated on public highways.

[HB 1078](#) expanded SDCL 32-3-2.4, to include all-terrain vehicles with four or more wheels that are propelled by an electric motor. This means that owners are now able to license these vehicles to be operated on a public highway as long as it meets the required accessory requirements.

Not included in this expansion are golf carts, low-speed vehicles or toy or youth off-road vehicles.

Commercial Sprayers/Spreaders no longer licensed.

Effective July 1, 2022, self-propelled fertilizer sprayers/spreaders are no longer required to be titled and licensed if used in a commercial endeavor with the passage of [SB176](#). This means a dealer's license is no longer required to sell self-propelled fertilizer equipment.

A truck chassis that has a fertilizer sprayer mounted on it, has to be titled and licensed.

More legislative updates on page 3.

RENEW TODAY

It's as easy as

1, 2, 3!!!

Use ANY
kiosk in
the state!



1. SCAN



Scan Your
South Dakota
Driver's
License or ID

2. PAY

Credit and
Debit Cards
Accepted



3. PRINT



Print Your
Vehicle
Registration
and License
Plate Decal

Sales and Property Tax Refund for Senior & Disabled Citizens

If you are at least sixty-six (66) years old or disabled, you may qualify for an annual refund on your sales or property taxes.

Applications for the Sales or Property Tax Refund Program are now being accepted until July 1, 2022.

Qualifications:

- Have incomes of less than \$13,653.00 for a single-member household (only one individual in the household) or less than \$18,465.00 for a multiple-member household
- Be a South Dakota resident during all of 2021
- Be sixty-five (65) years of age on or before January 1, 2021, or disabled anytime during 2021

To be eligible for the property tax refund on their home, individuals must meet the sales tax requirements above, along with the following qualifications:

- Owned the house they are currently living in for at least three years
- Owned their house for fewer than three years, but have been a South Dakota resident for five years or more

For more information on the program or to access the application, click [here](#).

Upcoming Tax Seminars

Be sure to check <https://apps.sd.gov/RV23Education/Classes.aspx> for potential reschedule dates.

| Date | Topic | Location |
|--------------|---------------------------------------|----------|
| June 7 | Basic Sales Tax | Zoom |
| June 9 | Basic Contractor's Excise Tax Seminar | Zoom |
| September 13 | Basic Sales Tax | Zoom |
| September 15 | Basic Contractor's Excise Tax Seminar | Zoom |

CONTACT US

SD Department of Revenue

445 E Capitol Avenue, Pierre, SD 57501

Website: <https://dor.sd.gov>

Phone: 605-773-3311

Taxpayer Assistance Center: 1-800-829-9188

Motor Vehicles: 605-773-3541

SD Lottery: 605-773-5770

Gaming Commission: 605-773-6050

2022 Legislative Updates (Continued)

Repeal of Bingo Tax

July 1, 2022, [SB 37](#) becomes effective which will repeal the bingo tax. With the passage of this bill, distributors will no longer be responsible for purchasing an annual license or paying the five percent bingo tax on their gross sales of bingo or lottery equipment and supplies or pull-tabs for use in South Dakota.

Due to the decline in popularity of bingo games and the availability of other gaming opportunities in South Dakota, the license fees and tax do not serve the regulatory purpose like they did when the law was first enacted in 1988.



Meet Mike Houdyshell

While I have been with DOR for eleven years and have met many South Dakota taxpayers, there are many I look forward to meeting over the next few months. Let me take a few moments to introduce myself.

I started my career at DOR in October 2011 serving as the Director of Property and Special Taxes and in June 2018 became Chief Legal Counsel. Before joining DOR, I worked three years as staff attorney for the

Department of Public Safety and worked in private practice for two years in Rapid City, SD.

I obtained my bachelor's degree in History from Black Hills State University and a J.D. from the University of South Dakota School of Law.

Pierre has been my home the last thirteen years, and my lovely wife Hannah and our three children enjoy all the opportunities this city has to offer. I cannot think of a better place to have a career and raise a family.



Municipal tax changes to take effect July 1st

One South Dakota community made updates to their current municipal tax rate beginning July 1. The municipal tax change which took effect include:

- Gary increased its one percent general sales and use tax rate to two percent.
- Gary will also be implementing a one percent gross receipts tax on lodging accommodations, eating establishments, alcohol sales, and admissions.

South Dakota municipalities are able to implement new tax rates or change existing tax rates on January 1 or July 1 each year. The South Dakota Department of Revenue has municipal tax information bulletins available which list all municipal sales and use tax rates statewide, along with information on tribal sales, use, and excise taxes.

To obtain a Municipal Tax Information bulletin, download it on the Department of Revenue website or contact the Department of Revenue at 1-800-829-9188.

LOTTO AMERICA Adding Monday Draw



Lotto America players will have an added night of excitement as the game will soon add a Monday draw.

Effective July 18, Lotto America will feature draws on Monday in addition to its current Wednesday and Saturday draws. South Dakota's implementation of the Monday draw was approved by South Dakota's Rules Review Committee on Wednesday, April 6, 2022.

With an additional draw, Lotto America players can anticipate faster growing jackpots. The game's prize structure and odds will not change.

The state's Capital Construction Fund receives sixty-five percent of net revenue from lotto games such as Lotto America. This supports the Water and Environment Fund, the Ethanol Fuel Fund, and the State Highway Fund. The state's General Fund, which supports K-12 schools, state universities, and technical institutes, receives the other thirty-five percent of lotto revenue.

For more information on Lotto America, visit <https://lottery.sd.gov/games/lottogames/lottoamerica/>.

Are you the holder of an on & off-sale malt beverage license that is due for renewal in June?

Don't risk losing your malt beverage license... contact our office immediately to resolve your sales and use tax delinquency.

Due Dates

| Tax Return | Due Date |
|------------|------------|
| May | 06/21/2022 |
| June | 07/20/2022 |
| July | 08/22/2022 |
| August | 09/20/2022 |

Motor Vehicle Registration Dates

Vehicle registration renewal due dates are based on the first letter of your last name which then correlates to a particular month.

May – H/I/O

June – K/L

July – M/N

**April, October, and December are non-renewal months*

Don't be caught in a scam!

Recently two South Dakota dealerships had their identity stolen by an individual trying to sell vehicles to unsuspecting buyers.

The scam copied website information, used stock car photos, and You Tube videos to lure buyers into transferring funds electronically.

While to date, no South Dakota customers have been affected, the dealerships are as much of a victim as those making the purchases.

Our advice is to know who you are dealing with and make sure you see the vehicle before sending funds electronically.

Caution recommended when doing business with Transient Vendors

With the recent weather events that have occurred, the Department of Revenue wants to safeguard against anyone taking advantage of our citizens. If you are considering making a purchase from a transient vendor, please take steps to verify that they are reputable. If the vendor can't or won't provide proof of a South Dakota business tax license, you should contact the Department of Revenue.

Questions to Ask

If you are considering hiring repair or construction services, please be remember to:

- Ask for a price quote in advance and in writing.
- Question the contractor about a permanent address and telephone number. If the information they provide is local, do not assume they are a local business. Transient vendors often have business cards printed with local mailing services or motel addresses and telephone numbers.
- Ask for a list of local references and check them before making a decision.
- Ask if the contractor has worker's compensation and general liability insurance. If vendors are not properly insured, homeowners may be liable for accidents that occur on their property.
- Be careful about paying for work in advance. Before making final payments, make sure transient vendors have paid their local suppliers or you may be held liable for unpaid materials.
- Make sure you are completely satisfied with the work before paying the bill, and do not pay more for the job than originally quoted unless you have given written approval for the additional work or cost.
- Ask the contractor for an excise tax license.

All sellers must provide you with a contract or receipt at the time of sale showing the date, the merchant's name and address, and a statement informing you of your right to cancel the contract within three days. After proper cancellation, the seller has ten (10) days to refund your money.

Have Doubts?

If you have doubts about the vendor or think you may have been the victim of a scam, contact the Attorney General's Consumer Protection Division at [800-300-1986](tel:800-300-1986) or by email at consumerhelp@state.sd.us. Be prepared to give as much information as you can about the vendor, including the name of the company and salesperson, company address and telephone number and the make, model and license number (if possible) of the vehicle the vendor was driving. Tips from the public are valuable in assisting law enforcement catch illegal vendors before they move on to the next community.

If you believe a transient vendor does not have a South Dakota business tax license, contact the South Dakota Department of Revenue's toll-free helpline at 800-829-9188, press "1" for the business tax division.